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NEWS RELEASE

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Company President to be Barred if New York Broker-Dealer Fails to Pay \$100,000 Fine.
Firm's brokers defrauded customers, refused to permit audit.

SALT LAKE CITY, Utah – The Utah Division of Securities today entered an Order against The Thornwater Company, a defunct New York broker-dealer, and Robert J. Grabowski, former president of Thornwater. The Order resolves allegations that they failed to comply with an earlier order.

On August 15, 2006, Thornwater and Grabowski consented to an order resolving the Division's allegations that they permitted stockbrokers at Thornwater to manipulate the accounts of a Utah resident, resulting in losses of \$147,000. Under the August order, Grabowski was to pay a fine of \$15,000 and Thornwater was to pay a fine of \$100,000. Grabowski further agreed to be barred from the securities industry if Thornwater did not pay its fine. Grabowski paid his fine, but Thornwater failed to pay any of its fine by the deadline.

The Division issued a new Order to Show Cause against Thornwater and Grabowski on December 18, 2006, alleging that Thornwater's failure to pay its fine was a violation of an Order of the Division and that under the terms of the August Consent Order, Grabowski should be barred from the securities industry.

On December 19, before knowing that a new Order to Show Cause had been issued, Grabowski sent the Division \$25,000, as partial payment on the fine. A second \$25,000 check was sent on January 17.

Today's Order provides that Grabowski and Thornwater will pay the remaining \$50,000 by March 21, 2007. If that amount is not paid by that date, Grabowski will be immediately and automatically barred from the securities business.

Prior orders and news releases relating to this case were entered on April 17, 2006, August 16, 2006, and December 18, 2006. Orders were entered before 2006 against other agents affiliated with Thornwater: James Hopkins and Thomas Russo.